

BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D. C.

DEPT. OF TRANSPORTATION
DOCKET SECTION

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Joint Application of

AMERICAN AIRLINES, INC.

and

LINEA AEREA NACIONAL CHILE,
S.A. (LAN CHILE)

under 49 U.S.C. §§ 41308 and 41309 for
approval of and antitrust immunity
for alliance agreement

OST-97-3285-33

Application of

LINEA AEREA NACIONAL CHILE, S.A.
(LAN CHILE)

for an exemption under 49 U.S.C. § 40109

OST-97-2982-22

Joint Application of

AMERICAN AIRLINES, INC. and
LINEA AEREA NACIONAL CHILE, S.A.
(LAN CHILE)

for a statement of authorization under
14 C.F.R. Parts 207 and 212 (reciprocal
codeshare services)

Undocketed

ANSWER OF LINEA AEREA NACIONAL CHILE, S.A. (LAN CHILE)
TO MOTIONS FOR LEAVE TO FILE

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April 10, 1998

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Lan Chile's objective is the prompt and favorable
processing of its applications, so that it can begin to provide
new service to a meaningful network of U.S. points via its U.S.

gateway. There are, obviously, parties whose goal is to bar or delay that service. Lan Chile has refrained from joining in the circus of unauthorized pleadings, no matter how repetitive, redundant and unwarranted they may be, because Lan Chile recognizes that each additional pleading creates the potential for delay and will trigger additional repetitive, redundant and unwarranted reactions from parties who lack the self-control to do otherwise. Enough, however, is enough.

The opponents' tactics in this case would make a mockery of the Department's procedures and its scheduling Order 98-2-21:

- On March 24, The Regional Business Partnership (Newark) and Aeromexico, surely at the behest of interested U.S. carriers, filed "replies" which, inasmuch as their real target was the original Lan Chile/American joint application and not the answers thereto, were actually unauthorized, late-filed answers.
- On April 2, United filed an unauthorized "reply" which, despite United's representation that the contents were vital to a "complete record," simply repeated old assertions and said nothing new.
- On April 7, Continental filed an unauthorized "consolidated surreply," which, while claiming to respond to the Lan Chile/American reply of March 24 and representing that the contents were vital to a "complete record," was primarily a statement of agreement with the unauthorized late-filed answers of The Regional Business Partnership (Newark) and Aeromexico. To the extent this pleading addressed anything Lan Chile or American may have said in this case, the pleading said nothing new.

Continental's April 7 surreply reveals the strategy of "tag-team,, pleading that the opposing parties have adopted. One of them files a pleading, another files a pleading in support, and so on. The pleadings are unauthorized and unnecessary. There is only one objective: to delay action on the Lan Chile-American applications, while United, Delta and Continental implement and entrench their codeshare and/or equity relationships in the region with VARIG, Aeroperu, Aeromexico and VASP.

On April 8 (two days ago), President Clinton hailed the U.S. strategy 'to replace restrictions with opportunities,, in the world's aviation markets. DOT Press Release, April 8, 1998. Lan Chile wants this to occur in the U.S.-Chile market and to take advantage of those opportunities through commercial arrangements of its choosing. Lan Chile's codeshare-related applications, which are fully consistent with the 1989 U.S.-Chile Air Transport Agreement, were filed with the Department on October 7, 1997 (six months ago). The Lan Chile/American joint application for approval and antitrust immunity, the approval of which will usher in a new, pro-competitive era of open skies in the U.S.-Chile market, was filed on December 23, 1997. It is time for the Department to take action so that the tremendous possibilities promised by the U.S. -Chile open skies agreement can be realized.

It is a disservice to the applicants and to the Department Staff to have to review and consider repetitive pleadings from parties whose true objectives are not to "complete the record,, but, rather, to create delay. Lan Chile requests the Department to reject all of the unauthorized pleadings filed to date, advise the parties that it will accept no future unauthorized

pleadings, and devote its efforts to the prompt approval of the pending applications.

Respectfully submitted,
ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

By:

A handwritten signature in cursive script, appearing to read "Charles J. Simpson, Jr.", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of April, 1998, I caused a copy of the foregoing Answer to be served by first-class mail, postage prepaid, upon the following persons:

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